

**ALVORD AND ALVORD  
ATTORNEYS AT LAW  
1050 SEVENTEENTH STREET, N W  
SUITE 301  
WASHINGTON, D.C.**

**ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)**

**20036  
(202) 393-2266  
FAX (202) 393-2156  
E-MAIL [alvordlaw@aol.com](mailto:alvordlaw@aol.com)**

**OF COUNSEL  
URBAN A. LESTER**

RECORDATION NO. 27298 FILED

DEC 21 07 -3 00 PM

SURFACE TRANSPORTATION BOARD

December 21, 2007

**Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Railcar Loan and Security Agreement, dated as of December 21, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

**Lender: Wells Fargo Equipment Finance, Inc.  
733 Marquette Avenue  
Minneapolis, MN 55479**

**Borrower: Compass Rail XII Corporation  
750 Battery Street, Suite 430  
San Francisco, CA 94111**

Mr. Vernon A. Williams  
December 21, 2007  
Page 2

A description of the railroad equipment covered by the enclosed document is:

223 railcars: RPBX 23163 - RPBX 23286 (excluding RPBX 23183, RPBX 23189, RPBX 23200 and RPBX 23211) and RPBX 23500 - RPBX 23604 (excluding RPBX 23502 and RPBX 23559).

A short summary of the document to appear in the index is:

Memorandum of Railcar Loan and Security Agreement.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem  
Enclosures

RECORDATION NO. 2298 FILED

DEC 21 '07 -3 00 PM

SURFACE TRANSPORTATION BOARD

---

**MEMORANDUM OF RAILCAR LOAN AND SECURITY AGREEMENT**

**dated as of December 21, 2007**

**between**

**COMPASS RAIL XII CORPORATION,  
as Borrower,**

**and**

**WELLS FARGO EQUIPMENT FINANCE, INC.,  
as Lender**

---

**FILED WITH THE SURFACE TRANSPORTATION BOARD  
PURSUANT TO 49 U.S.C. § 11301  
on December 21, 2007 at \_\_:\_\_.m.**

## **MEMORANDUM OF RAILCAR LOAN AND SECURITY AGREEMENT**

**THIS MEMORANDUM OF RAILCAR LOAN AND SECURITY AGREEMENT is made and entered into as of December 21, 2007, by and between WELLS FARGO EQUIPMENT FINANCE, INC. ("Lender") and COMPASS RAIL XII CORPORATION ("Borrower"), with reference to the following:**

- 1. Lender has agreed to make a loan to Borrower, and Borrower has agreed to borrow certain sums from Lender, secured by that certain lease agreement and those certain railcars described on Exhibit No. 1 attached hereto.**

**All of such railcars and such lease are more fully described in that certain Railcar Loan and Security Agreement dated as of December 21, 2007, (together with all of the schedules and other attachments thereto, collectively, the "Agreement"), between Lender and Borrower.**

- 2. The Agreement shall be effective as of the date hereof.**

**This Memorandum of Railcar Loan and Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Railcar Loan and Security Agreement.**

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Loan and Security Agreement to be executed, under seal, as of the date first above written.

WELLS FARGO EQUIPMENT FINANCE,  
INC.

By: Barbara E. Kovacic  
Name: Barbara E. Kovacic  
Title: Vice President

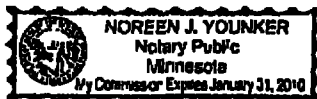
STATE OF Minnesota )  
COUNTY OF Hennepin ) ss.

On this 21<sup>st</sup> day of December, 2007, before me appeared Barbara Kovacic, the person who signed this instrument, who acknowledged that (s)he is the Vice President of WELLS FARGO EQUIPMENT FINANCE, INC. and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

Noreen J. Younker  
Notary Public

My commission expires:

January 31, 2010



COMPASS RAIL XII CORPORATION

By: [Signature]  
Name: Mark S. Maymar  
Title: Executive Vice President

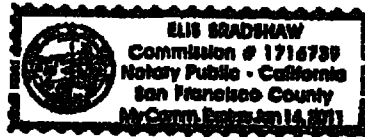
STATE OF California )  
 ) ss.  
COUNTY OF San Francisco )

On this 20 day of December, 2007, before me appeared Mark S. Maymar, the person who signed this instrument, who acknowledged that ~~(s)~~he is the Executive Vice President of COMPASS RAIL XII CORPORATION, and that, being duly authorized, ~~(s)~~he signed such instrument as a free act on behalf of said corporation.

[Signature]  
Notary Public

My commission expires:

January 14, 2011



**EXHIBIT NO. 1**  
**TO MEMORANDUM OF RAILCAR LOAN AND SECURITY AGREEMENT**

**RAILCAR DESCRIPTION**

Two Hundred and Twenty-three (223) tank cars as follows:

Schedules 810-814: 120 cars --13,684 gallon capacity, sulfuric acid railroad tank cars, DOT 111A100W2, built in 1992 Union Tank Car with car marks and numbers RPBX 23163 through RPBX 23286 (except for RPBX 23183, RPBX 23189, RPBX 23200, and RPBX 23211).

Schedules 816-820: 103 cars --13,440 gallon capacity, lined sulfuric acid railroad tank cars 263,000 lbs. Gross Rail Load, DOT 111A100W2 built in 1995 by Union Tank Car with car marks and numbers RPBX 23500-23604 (inclusive) (except for RPBX 23502 and 23559).

**LEASE DESCRIPTION**

The Master Lease Agreement:

Master Equipment Lease Agreement dated as of September 24, 1990, as amended by the First Amendment Agreement, dated as of October 23, 1992, the Second Amendment Agreement, dated as of August 19, 1994, the Third Amendment Agreement, dated as of November 3, 1995, as modified by that certain Waiver Agreement dated February 21, 2000, among Lessee, PBG Capital Partners, L.L.C., Sonoma Trust II and Pitney Bowes Credit Corporation, and as further amended by the Lease Renewal Agreement dated as of [November \_\_, 2007], among Lessee and PBG Equipment Trust as successor Lessor.

The Lease Schedules:

(i) Lease Schedule No. 810, dated October 23, 1992; (ii) Lease Schedule No. 811, dated October 28, 1992; (iii) Lease Schedule No. 812, dated November 9, 1992; (iv) Lease Schedule No. 813, dated December 1, 1992; and (v) Lease Schedule No. 814, dated December 18, 1992; (vi) Lease Schedule No. 816, dated November 3, 1995; (vii) Lease Schedule No. 817, dated November 15, 1995; (viii) Lease Schedule No. 818, dated December 5, 1995; (ix) Lease Schedule No. 819, dated December 21; and (x) Lease Schedule No. 820, dated December 26, 1995.